

## Message Text

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E.O. 11652: N/A

TAGS: ETRN, EEC

SUBJECT: EC/SWISS SCHEME FOR LAYING UP INLAND WATERWAY BARGES

REF: (A) 75 STATE 294185, (B) 75 GENEVA 9093, (C) EC BRUSSELS 5832,  
(D) 75 EC BRUSSELS 5602, (E) 75 EC BRUSSELS 5075

1. BEGIN SUMMARY: MOST ISSUES REGARDING THE EC/SWISS CONVENTION FOR LAYING-UP OF INLAND WATERWAY BARGES HAVE BEEN SETTLED. PROBLEMS STILL REMAIN BETWEEN THE MEMBER STATES ON THE SITE OF THE LAYING-UP FUND (STRASBOURG OR DUISBURG) AND WHICH BODY WILL TAKEN ON THE SECRETARIAT FUNCTIONS. SHIP-BORNE BARGES WILL BE TAXED ONLY WHEN THEY LEAVE THEIR PORT OF ENTRY AND PROVISION HAS BEEN MADE FOR POSSIBLY REVISING THEIR STATUS AT A LATER DATE. THE COMMISSION HOPES THAT THE EC COUNCIL WILL AGREE ON THE REMAINING OUTSTANDING ISSUES DURING THE NEXT SEVERAL MONTHS. END SUMMARY.

2. IN RESPONSE TO REFTEL A THE MISSION OBTAINED A STATUS REPORT FROM COMMISSION OFFICIALS ON THE PROPOSED EC-SWISS CONVENTION ON LAYING-UP INLAND WATERWAY BARGES. ALMOST ALL CONVENTION ISSUES HAVE BEEN AGREED UPON BETWEEN THE EC AND THE SWISS. HOWEVER, SOME "POLITICAL" ISSUES HAVE TO BE SETTLED BETWEEN THE MEMBER STATES,  
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E.G. THE LOCATION OF THE HEADQUARTERS OF THE LAYING-UP

FUND (THE FRENCH WANT STRASBOURG, THE GERMANS DUISBURG) AND WHICH ORGANIZATION SHALL PROVIDE THE SECRETARIAT FOR THE SUPERVISORY BOARD. THE COMMISSION HOPES THAT THESE AND A FEW TECHNICAL POINTS WILL BE SETTLED BY AN EC COUNCIL OF FOREIGN MINISTERS DURING THE NEXT SEVERAL MONTHS. A TRANSPORTATION MINISTERS' COUNCIL IN DECEMBER COULD NOT RESOLVE THE ISSUES AND THE COMMISSION DOES NOT WANT TO WAIT FOR ANOTHER TRANSPORTATION MINISTERS' COUNCIL FOR THEIR RESOLUTION.

3. WE HAVE OBTAINED A COPY OF A PROPOSAL FOR AN EC COUNCIL DECISION WHICH WOULD HAVE THE EC COUNCIL DECIDE ON THE FINAL OUTSTANDING ISSUES. AS AN ANNEX TO THE PROPOSAL IS THE DRAFT CONVENTION (AGREEMENT). (THE DOCUMENT IS BEING TRANSMITTED TO EUR/RPE, ATT: A. SENS.) WE ARE REPORTING BELOW ARTICLES RELEVANT TO SHIP-BORNE BARGES.

4. AS REPORTED IN REFTEL E, SHIP-BORNE BARGES WILL NOT BE EXEMPTED FROM THE TAXATION SCHEME. HOWEVER, ALL VESSELS OF 400 METRIC TONS OR LESS WILL BE EXCLUDED FROM THE TAXATION SCHEME ALTHOUGH DURING A TRANSITION PERIOD ONLY VESSELS OF 300 METRIC TONS OR LESS WILL BE EXEMPTED. THIS MEANS THAT BACAT BARGES WILL BE EXEMPTED AT THE OUTSET AND LASH BARGES SUBSEQUENTLY. THE HEAVIER SEABEE BARGES WILL NOT BE EXEMPTED FROM THE TAX.

5. THE DRAFT CONVENTION ALSO CONTAINS THE FOLLOWING PARAGRAPH IN ARTICLE 7: "TAKING DUR ACCOUNT OF THE TECHNOLOGICAL DEVELOPMENTS IN TRANSPORT BY LIGHTER AND SHIP-BORNE LIGHTERS (BARGES) AND OF THE EFFECTS ON COMPETITION WHICH THIS CATEGORY OF VESSEL MAY EXERT WITH RESPECT TO THE OTHER CATEGORIES, THE SUPERVISORY BOARD MAY, BY A UNANIMOUS DECISION OF ALL ITS MEMBERS, MODIFY IN RESPECT OF LIGHTERS, THE TONNAGE LIMITES REFERRED TO IN PARAGRAPH 1(A), "I.E., THOSE MENTIONED IN PARA 4 ABOVE. A COMMISSION OFFICIAL TOLD US THAT THE TAXES WERE IMPOSED ON SHIP-BORNE BARGES BECAUSE THEY HAVE NOT YET BEEN IN THE WATERWAY FOR A SUFFICIENT TIME TO MEASURE THEIR REAL IMPACT ON COM-

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PETITION. DEPENDING ONTHE EXPERIENCE, THE TONNAGE LIMITS CAN BE CHANGED TO EITHER ELIMINATE SHIP-BORNE BARGES OR TO INCLUDE THOSE SO FAR NOT COVERED BY THE SCHEME. (ONE MIGHT SEE IN THIS A MINOR NOD TOWARDS THE ARGUMENTS WE PRESENTED TO THE COMMISSION, SEE REFTEL D.)

6. THE PROPOSED RATES FOR SHIP-BORNE LIGHTERS ARE

APPROXIMATELY THE SAME AS THOSE FOR BARGES IN GENERAL. ARTICLE 10, COVERING CHARGES, READS AS FOLLOWS:  
BEGIN QUOTE 1. THE DAILY CONTRIBUTION FOR EACH VESSEL  
SHALL BE CALCULATED BY MULTIPLYING ITS EQUIVALENT  
TONNAGE OR EQUIVALENT ENGINE-POWER BY THE BASIC RATE  
REFERRED TO IN PARAGRAPH 2.

THE EQUIVALENT TONNAGE AND THE EQUIVALENT  
ENGINE-POWER SHALL BE CALCULATED BY MULTIPLYING THE  
REAL DEADWEIGHT OR THE NOMINAL ENGINE-POWER OF THE  
VESSEL IN QUESTION BY THE ADJUSTMENT COEFFICIENT FOR  
THAT CATEGORY OF VESSEL.

2. FOR THE FIRST YEAR OF OPERATION OF THE  
SYSTEM ESTABLISHED BY THIS STATUTE, THE BASIC RATE  
FOR CONTRIBUTIONS SHALL BE SET AT A SUM EQUIVALENT TO  
DM 0.0175 IN THE CURRENCY OF THE STATE WHERE THE FUND  
HAS IT HEADQUARTERS, AND THE ADJUSTMENT COEFFICIENTS  
SHALL BE AS FOLLOWS:

ALL TONNAGES	DRY CARGO	LIQUID AND LIQUIFIED CARGO
SELF-PROPELLED VESSELS	1.00	1.50
BARGES	0.35	0.53
LIGHTERS, INCLUDING SHIP- BORNE LIGHTERS	0.33	0.56

ALL UNITS OF HORSEPOWER  
TUGS 1.00  
PUSHER TUGS 2.30  
END QUOTE

7. ANOTHER ARTICLE (13) IN THE DRAFT CONVENTION PRO-  
VIDES THAT TIME SPENT IN SEAPORTS SHALL NOT BE INCLUDED  
IN CALCULATING TIME IN THE INLAND WATERWAYS AS LONG  
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AS THE SHIP-BORNE BARGES DO NOT TRAVEL TO OR FROM A  
PORT OTHER THAN WHERE THEY HAVE BEEN UNLOADED FROM  
THE MOTHER SHIP. THIS MAY BE SIGNIFICANT BECAUSE A  
LYKES LINE OFFICIAL, DURING THE CONVERSATION REPORTED  
IN REFTEL C, TOLD US THAT THE VAST MAJORITY OF HIS  
COMPANY'S SHIP-BORNE BARGES DO NOT LEAVE THE HARBOR WHEN THEY ARE  
OFF-LOADED FROM THE MOTHER SHIP. THEIR MERCHANDISE IS TRANS-  
FERRED TO OTHER BARGES IN THE SAME PORT. THE BELGIANS  
HAVE PROPOSED THAT THE PERIOD SPENT BY SHIP-BORNE BARGES  
MOVING BETWEEN TWO SEAPORTS SHOULD NOT BE TAXED BUT  
THE OTHER MEMBER STATES, THE COMMISSION AND THE SWISS  
OPPOSE THE BELGIAN POSITION. MORRIS

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